

FOREIGN POLICY BULLETIN

*An interpretation of current international events
by the Research Staff of the Foreign Policy Association*



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U. S. Willing To Negotiate On All Of Germany

WASHINGTON — The policy of the United States with respect to Berlin is subject to change because the Truman Administration has to draw on the opinions of many persons here and abroad who disagree about the wisest course to follow. When the United States, Britain, and France reformed the currency of western Germany on June 18, they designated the new marks as the legal tender for their zones of occupation in Berlin. But on July 24 the western powers accepted as legal tender for all of western Berlin the revalued marks that the Soviets had issued for their zone of occupation, although previously they had refused to entertain Soviet protests against the use of the western currency in the city. In its note of July 6 to Moscow, the United States proposed discussion of the Berlin problem, but avoided all reference to discussion about Germany as a whole—a move which the Soviets had proposed and reiterated often since the Warsaw Conference in June. However, on July 20 the United States considered sending a new note to Moscow incorporating the Russian suggestion that the four powers confer not only on Berlin but on German affairs in general.

Policy the Fruit of Consultation

The concessions reflect the Administration's lack of independence in control of international relations. In an extensive process of consultation and accommodation, the Administration has had to reconcile opinions of the stern and the timid. The somewhat divergent views of the State Department and the Army Department had coalesced. To safeguard the pol-

icy from serious attack by Congress, Secretary of State George Marshall has consulted with two influential members, Chairman Arthur Vandenberg of the Senate Foreign Relations Committee and Chairman Charles Eaton of the House Foreign Affairs Committee. The Administration has solicited the view of the leader of the Republican Party, Governor Thomas E. Dewey of New York, who complained on July 1, in reference to other issues, that the Administration had not always honored the bi-partisan principle in making policy. The Administration has to take into account the wishes of our chief friend abroad, the British Government, and of continental nations which might quickly be occupied by non-American troops in the event the policies of the United States and the Soviet Union led to war. The Berlin issue reveals, as does no other problem, how the success of policy depends on the support of many persons and many countries. The most that the United States can hope to do is attempt to correlate conflicting viewpoints on policy.

If silence means assent, the Administration has public backing in the United States for a strong policy respecting Berlin. The country has manifested astonishingly little interest in the issue, and the flow both of criticism and applause for the pronouncements of Secretary Marshall and of General Lucius D. Clay, U.S. Military Governor in Berlin, has been astonishingly thin. While the platform and speeches at the convention of the new Progressive Party, which opened in Philadelphia on July 21, condemn U.S. foreign

policy in general as warlike, the Administration seldom takes the attitude of the Wallace party members into account in making official decisions. The American Communist Party, too, opposes the Administration's course in Berlin in particular and the world as a whole, but that group the Administration not only discounts but now seeks at least in part to incriminate. On July 20 a special federal grand jury in New York City indicted 12 leading American Communists, including William Z. Foster, Chairman of the Party. The indictments alleged that the 12 conspired to "teach the duty and necessity of overthrowing the government of the United States by force and violence," in violation of the Smith Act of 1940. It was an accident that the grand jury returned the indictments at the height of the Berlin difficulty. The grand jury began its inquiry almost 18 months ago, but the National Committee of the Communist Party in a statement distributed the day of the arrests said that the indictments were part of an attempt to "turn the war in Berlin from cold to hot."

The Administration takes foreign doubters more seriously than it does the critics at home. The five members of the Brussels Union, Britain, France, Belgium, the Netherlands, and Luxembourg, decided at their meeting in The Hague on July 19 and 20 that they did not wish to be a party to any show of force against the Soviet Union over Berlin, although they were ready to do what was possible to "defend their independence, integrity, and institutions." Coming on top of the resignation of Schuman's government in

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France, the conclusions of The Hague struck the Soviet Union as a victory for its side. The Soviet radio in Berlin announced to the Germans on July 21: "Since it was impossible to hide any longer from the statesmen of the Western Bloc that for years to come there was no hope for military guarantees on the part of the United States, Bevin (British Foreign Secretary) had been forced to agree, much against his real wishes, to Bidault's (French Foreign Minister Bidault) proposal that the Americans should be persuaded to reopen four-power talks." To keep alive the British confidence in a strong policy, Secretary Marshall on July 23 sent Charles Bohlen, counsellor of the State Department, to London. But Europe needs weapons as well as exhortation from the United States. The Soviet radio put its

finger on the American weakness in the development of policy on Berlin—its present inability to make military guarantees to western Europe.

Policy Today

Having weighed the opinions that determine what it can do, the Truman Administration now is willing to treat with the Soviet Union on the German question provided Russia first lifts the blockade of Berlin. That is the essence of what Marshall meant when he said on July 21 that the United States intended to settle the Berlin problem by diplomatic means but would not be coerced. The United States intends also to continue to supply Berlin by plane in defiance of the Soviet blockade and in testament to the western powers' determination to stay in occupation of

Berlin. General Clay, who arrived in Washington from Germany on July 21 and left on July 23, said that the "air lift" could go on in all weather in all seasons. To improve its operations, Americans plan to build a new Berlin airport, at Spandau, larger than Tempelhof Field they now use. The plane service provides Berliners with food and symbolizes American intentions; but it does not carry enough coal to Berlin to maintain that large city's industries at a high productive level. Responding to the war-scare atmosphere gathering over the country, President Truman on July 22 told his press conference that the chances for peace are excellent. The Administration is prepared for a long-continuing stalemate if opinion here and abroad will permit it.

BLAIR BOLLES

New French Cabinet Must Solve Inflation Problem

The fall on July 20 of the shaky coalition cabinet headed by Premier Robert Schuman had been expected so long that it occasioned surprise and dismay among French moderate groups only because the collapse of the government temporarily prevented France from participating in international discussions of the critical Berlin problem. During the past nine months since Schuman formed the MRP, Socialists and Radicals into a government of the "third force" in an effort to steer a middle course between the Gaullists and Communists, France has continued to live in a state of chronic governmental crisis. On no less than eleven occasions Premier Schuman has been obliged to demand votes of confidence on such highly controversial issues as French policy toward the proposed Western German state and the question of state aid to Catholic schools. Whatever commendation, therefore, the Schuman regime deserves for saving France from dictatorship in the autumn of 1947, when Communist-led strikes threatened to lead to extremism, it can hardly be said to have increased French confidence in a coalition of moderates as a guarantor of the stability France so patent-ly needs.

Another Uneasy Coalition

The chief question raised by the collapse of the Schuman government is whether France can find another alternative to the two strong challengers on the Right and Left. A tentative answer in the affirmative was given on July 21 when

President Auriol set the stage for the creation of a new government by naming André Marie to form a new cabinet. Marie, the first Radical Socialist to head a French cabinet since 1939, is a little-known political figure in France despite his long career in Parliament and his record as a remarkably temperate Minister of Justice in the Schuman government. As a typical compromise candidate, Marie will suffer from the disadvantage of having to harness into a working team a number of stronger political personalities, a large number of whom have been recruited from the ranks of pre-war cabinets, and who are united only in their common opposition to the strong leadership principle of de Gaulle, on the one hand, and Communism, on the other. The search for a moderate solution in France thus promises to go on, but it should be noted that the Marie government will seek this solution farther to the Right than did the "third force." For instead of restricting himself to representatives of the three middle-of-the-road parties, Marie has also included one pro-Gaullist group and the Rightist Liberty party. Such a government corresponds to the concept of a government of national union which has often been used before in France during times of crisis.

Whether a government of "national union" will succeed where the "third force" failed will be determined in part by what happens in the National Assembly when the nation's military appropriations for 1948 again come up for discussion. The outlook for agreement on this question is

reasonably bright, despite the fact that it was the immediate cause for the fall of the Schuman government, since considerable progress was made during the recent parliamentary debates in reaching a compromise on the military budget. At the moment Premier Schuman resigned the Socialists and Radicals were within three and one-half billion francs of the total demanded by the Schuman government.

Morale at Low Point

The very fact that the Socialists and MRP broke their truce over such a relatively small sum clearly indicated that these major partners in the Schuman government were restless because of even more far-reaching issues than the size of the military establishment. Most important among these sources of dissatisfaction is the continued rise in the cost of living, which is having a disastrous effect on French morale. Since early this Spring there have been unmistakable signs that the Schuman government's attempts to overcome inflation had failed, and that increases in the cost of food and other necessities were making the well-stocked shop windows in Paris a mockery for nearly everyone except American tourists. During the month before the Schuman government fell there were numerous warnings that the growing inflation would lead to a new period of labor troubles. Even the anti-Communist labor groups which had patiently pinned their hopes on price reduction rather than wage increases began to find that they could no longer prevent

their members from joining in the Communist demands for twenty per cent wage increases. On June 25 leaders of these unions finally gave up their losing battle and served notice on the Schuman government that immediate price reductions would have to be made if the wage line were to be held. Recognizing the seriousness of this ultimatum the Schuman government announced, on July 1, a series of price cuts of three to fifteen per cent on manufactured goods for household or farm use, as well as renewed government

regulation of the prices of fish and certain fruits and vegetables. However, these measures gave no real hope for relief in a country where the workers claim that their cost of living has nearly doubled during the past year. Early in July the threat of a new wave of labor disputes was posed when large sections of the civil service went on strike.

Added to its overwhelming fear of a Third World War, France is suffering from an equally great fear of economic collapse. It is, therefore, primarily in connec-

tion with the chronic issue of inflation, and all its social consequences, that the new government of "national unity" will meet its severest test. To the United States as well as to France itself the outcome of this test is a matter of first importance, for until the French actually achieve the unity which the Marie cabinet has set for its goal, France will continue to be an uncertain factor in the European balance which American diplomacy and the ERP are striving to create.

WINIFRED N. HADSEL

FPA Bookshelf

The Memoirs of Cordell Hull, Two Volumes. New York Macmillan, 1948. \$10.50

The memoirs of Mr. Hull, whose term of office as Secretary of State spanned the prewar period, are written with little attempt at dramatic presentation, but offer a highly valuable source of information on events about which official information has hitherto been lacking—notably the Anglo-Russian arrangement of 1944 for wartime division of spheres of influence in Eastern Europe and the Balkans. A "must" work for all serious students of contemporary American foreign policy.

The Mediterranean—Its Role in America's Foreign Policy, by William Reitzel. New York, Harcourt Brace, 1948. \$2.75

Latest of the volumes issued by the Yale Institute of International Studies, Reitzel's study is an excellent analysis of the reasons why the turbulent Mediterranean area promises to be "a long-standing and expensive problem in American foreign relations."

On Active Service in Peace and War, by Henry L. Stimson and McGeorge Bundy. New York, Harper & Brothers, 1948. \$5.00

The lucid and highly informative account of the life and government service of Henry L. Stimson, former Secretary of State and twice Secretary of War. Written in the third person, the book is reminiscent of the *Education of Henry Adams*, but must be set apart from that autobiography for, unlike Adams, Stimson has spent the major part of his career actively participating in policy-making at high levels.

The More Perfect Union, by R. M. MacIver. New York, Macmillan, 1948. \$4.00

An investigation of the problem of prejudice in America, with suggestions for the control of intergroup discrimination in the United States.

The American Democracy, by Harold J. Laski. New York, Viking, 1948. \$6.50

A comprehensive treatment of American life and political institutions by the British Socialist and former Secretary of the Labor party. This book is billed as the author's *magnum opus*, to be compared with de Tocqueville's *Democracy in America* and Lord Bryce's *The American Commonwealth*.

We Need Not Fail, by Sumner Welles. Boston, Houghton Mifflin Co., 1948. \$2.50

The former Under Secretary of State pleads in this book for a more consistent United States policy toward Palestine. Welles' survey of the history of the mandate and the recent United Nations attempt to find a settlement for the Holy Land are set forth in a context of fear that inaction on Palestine will lead to defeat of the UN collective security system.

From Many One, by Crane Brinton. Cambridge, Harvard University, 1948. \$2.25

This cogent analysis of the process of political integration suggests that the schemes for world federation, which are popular today, are doomed to failure. The author believes that those who favor immediate building of a world-state are impractical perfectionists, and argues that a more constructive approach to world problems will first involve regional groupings.

Constitutional Dictatorship, by Clinton L. Rossiter. Princeton, Princeton University, 1948. \$5.00

The first full-length study of crisis government in modern democracies. The field surveyed includes Republican Germany, France, Britain and the United States.

The Price of Power, by Hanson W. Baldwin. New York, Harper, 1948. \$3.75

The military analyst of the *New York Times* attempts to answer in this book the crucial question: How can America achieve total preparedness for war without surrendering its democratic freedom? The book was prepared in co-operation with members of a study group under the auspices of the Council on Foreign Relations.

Experiment in World Order, by Paul McGuire. New York, Morrow, 1948. \$4.00

An Australian's account of the development of the British Commonwealth system, proclaimed as history's most advanced and prolonged example of international co-operation.

Nazi-Soviet Relations 1939-1941, edited by Raymond James Sontag and James Stuart Beddie with an introduction by James Reston. New York, Didier, 1948. \$3.00

A startling and revealing record of Nazi-Soviet foreign policy during the early war years.

Community of the Free, by Ives R. Simon. New York, Holt, 1947. \$3.00

In this volume the author expresses his views on political ethics.

A Report on Germany, by Lewis H. Brown. New York, Farrar, Straus, 1947. \$3.00

The chairman of Johns Manville Corporation presents a dynamic program that ties up the economy of Germany with Western Europe.

Man's Last Choice, by Eugene-Marie Friedwald. New York, Viking, 1948. \$2.00

The author points out fallacies in our political views and institutions, and suggests steps to deal adequately with present conditions.

Alternative to Serfdom, by John Maurice Clark. New York, Knopf, 1948. \$3.00

The author, an eminent American economist, develops the thesis that "man needs to belong to a community unit smaller and more personal than the overpowering state; but the units that meet this need—including trade unions—are not parts of an integrated community, but monopolistic groups, at war with others." Our problem is to resolve these conflicts without sacrificing liberty. He thinks economic organizations should be interpreted in political as well as economic terms, if we are to understand their behavior.

Memoirs of a Secret Agent of Free France, Vol. 1: June, 1940-June, 1942, by Rémy. New York, Whittlesey, 1948. \$4.00

Rémy, whose real name is Gilbert Renault-Roulier, headed the Free French intelligence network during the war. This is the first installment of his experiences, which make fascinating reading.

The Steep Places, by Norman Angell. New York, Harper, 1948. \$3.00

The author of the *Great Illusion* calls on the democratic nations to probe their own objectives and determine the price they are ready to pay for peace as a preliminary to any attempt to reach an understanding with Russia.

The Reshaping of French Democracy, by Gordon Wright. New York, Harcourt, Brace, 1948. \$3.50

Liberated France interpreted in terms of its constitutional development and political forces.

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Citizens and Foreign Policy

News in the Making

IV Programs and Services

One of the first steps in the successful organization of a community FPA or Council involves the breakdown of subject matter to be covered by its educational program. In every community there are groups of people having particular interests, cultural and business, in such areas as Latin America, Europe, Far East, Africa, Middle East, the British Empire and the Soviet Union, or with such broad problems as world organization and international trade and economics. One of the best means of gaining the support of wider groups of citizens is to provide the opportunity for participation and responsibility in educational programs related to these specific areas and problems. Through proper coordination they will form the basis of a strong federation of participating groups, each being intimately concerned with the overall problems of American foreign policy.

During the war, Inter-American centers sprang up in different parts of the country. Most of them have ceased to exist because they could not survive alone; and they failed to relate their own endeavors to the general world picture. Yet Inter-American interests still remain and can be revived as a vital part of an organized whole. The same applies to group interest with respect to other geographic areas and major world problems. Some groups have organized membership programs for these areas on a rather tenuous basis. If each of these area and problem groupings were given the status of a functioning committee within a single community organized effort, they could assume the direction and responsibility for the development of real-

ly effective education programs within their respective fields. The chairman of each, moreover, should serve as a key member of the program committee of the whole.

Additional important activities within the community center are intimately related to the above committees, being, in fact, dependent upon them for leadership and guidance. These include not only the membership lecture program itself, but also special membership functions such as discussion groups for men and women, seminars and clinics embracing series of meetings on particular topics, and study committees for program planning and forum leaders training. All provide a recruiting ground for volunteer leadership in the centers' community-wide program. They should be designed not only to meet the desires and interests of the average adult member, but likewise the junior members, foreign students and veterans.

Community services, as opposed to membership programs, involve primarily stimulation and leadership in the organization of educational activities among civic, professional and occupational groups. The Speakers Bureau, made up largely of the trained members of the center itself, is of course most important. In addition the center should provide other types of assistance such as program planning, a pamphlet shop with printed and mimeographed materials and library facilities including books and pamphlets, a map service, films and recorded lectures. These facilities and services obviously necessitate a limited fulltime staff, though the major part of the functions can and should be carried on by the volunteer work of interested members.

COMMUNITY CENTER (FPA OR COUNCIL)

FEDERATED COMMITTEES

Europe	British Empire	Latin America	World Organization
Far East	Africa, Middle East	Soviet Union	Int'l. Trade and Economics

Membership Programs

Lecture Series; Institutes; Discussion Groups (men, women, mixed); Seminars; Leadership Training; Program Planning; Youth, Foreign Student and Veterans Projects; Sponsors Programs.

Community Services

Speakers Bureau; Program Planning and other Services (professional, cultural, religious, social and civic groups); Pamphlet Shop; Library; Reference Service; Radio.

The above outline of functions obviously represents the ultimate in achievement of community organization. It is a program to be evolved and one which necessitates both a loyal and active membership and sufficient financial support to assure its success. These questions will be discussed in the next article.

BROOKS EMENY

The Organization for European Economic Cooperation is expected to act soon on a plan for the purpose of expanding the mutual trade of ERP participants. The payments Committee of the OEEC earlier prepared a scheme whereby dollars allocated by the ECA would be used to finance increased intra-European trade. Britain, however, objected to this proposal on the score that the Marshall plan was temporary and that the financing of trade in Europe should be on a more permanent basis. This view is supported by Sweden and Norway; on the other hand, Belgium, hitherto an important creditor in its European trade, favors the OEEC project. For its part, the ECA has approved special dollar allotments to finance trade in the manner desired by Brussels. Britain's reluctance to accept this approach is based on several factors, notably its tremendous trade deficit with the dollar area. Since 1938 British income from foreign investments and other "invisible exports" has greatly declined; accordingly, London can no longer afford the large prewar import surplus in trade with the continent. . . .

The *new cease-fire in Palestine*, ordered by the UN Security Council on July 15 and accepted by both Israel and the Arab League, is the first action in the history of the UN involving the threat of possible sanctions. The resolution demanding an indefinite halt in the Holy Land fight was proposed by the United States. After certain amendments were adopted over Russia's objections, the Council's vote on the resolution stood at 7 to 1. Syria voted against it, while Russia, the Ukraine and Argentina abstained. Minor hostilities, however, continued in Palestine immediately after the truce was accepted, but had tapered off within a week. Hailed as a victory for the UN, the truce does give added time for the mediator, Count Folke Bernadotte, to consult again with both sides on a long term settlement. Reports indicate that the UN mediation team, which may be augmented to 300 persons, has considered the possibility of a plebiscite in Palestine.

Want to Go to Paris?

Fifteen members of the FPA have already booked passage for the tour to the United Nations Assembly in Paris in September. The "all expense" itineraries cost from \$490 tourist class, to \$1,085 by air. For complete information write to FPA Headquarters, New York.